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Proposal: Prohibition on Funding of Unlawful Internet Gambling

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Comments:

I wonder how well the persons drafting the UIGEA Regulations understand Internet Betting operations? There are many less obvious ways to move value into or out of a business. The interaction of genuine players with a gambling operator needs little attention by the Treasury/Federal Reserve especially if done via proper banks. What is the point of UIGEA - to stop money leaving the US or to reduce gambling within America? eCommerce and globalisation are unstoppable now so obstructing the financial flows will not work. They will simply become more complicated and devious. The Federal Reserve may need to reflect on the risk of UIGEA causing "capital flight" from the regulated banking sector into unregulated banking equivalents which are becoming more and more prevalent (and trusted) in Europe and the rest of the world. It is possible to use e-cash to buy groceries in UK and many other countries now as an example. The US eavesdropping on SWIFT and the advent of SEPA rules in Europe make alternative payment systems attractive; huwala is going online and tax evasion with it. UIGEA looks like a set of clumsy tactics without a strategy. Beware the unintended consequences - not to mention the unhappy electorate!